

ADMINISTRATIVE - INTERNAL USE ONLY

Approved For Release 2002/01/10 : CIA-RDP80-00473A000500130002-5

77-359

DD/A Registry

DD/A Registry

77-0651

File Personnel-12

7 FEB 1977

MEMORANDUM FOR: Secretary, Executive Advisory Group
FROM : John F. Blake
Deputy Director for Administration
SUBJECT : Personnel Performance Evaluation

1. Background

a. The ADCI recently requested an in-depth review of an innovative personnel performance evaluation system instituted by RCA to determine whether some adoption of certain conceptual and evaluative features of the RCA system might simultaneously provide a more effective tool for evaluating past performance, estimating future potential and providing input for Career Service competitive evaluation and ranking. The review of this particular evaluation system has been completed. The applicability and pertinence of the "output" from this type of system to our Agency's needs, however, cannot be properly concluded without completion of a detailed reexamination of our current performance evaluation system and an evaluation of its effectiveness (or ineffectiveness) in fulfilling both the requirements of "on-the-job" performance evaluation and the needs of the Career Services for information as input in making determinations in competitive evaluation, ranking assignment and promotion exercises.

b. In the same time frame of the reviews cited above, the Agency MAG and the Agency EEO Panels have submitted independent reports expressing dissatisfaction with the Agency performance evaluation system although the basis for such conclusions are not documented nor are there specific indications as to what the deficiencies are. Some Directorates and Offices have recently issued or are developing revised guidelines and procedures aimed at reestablishing "norms" for ratings and improving the quality of the Fitness Reports. Some of the specific complaints recurrently expressed by employees and management are:

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- (1) Fitness Reports continue to creep toward higher ratings;
- (2) There is substantial disparity in ratings among supervisors and reviewers, between Directorates and between Sub-groups within Directorates;
- (3) Fitness Reports often fail to differentiate between performance and potential;
- (4) The relationship between Fitness Reports and LOI's is not clear;
- (5) The data available from Fitness Reports is insufficient to satisfy the needs of Career Service and Career Sub-group Boards and Panels in competitive evaluation, ranking and promotion considerations;
- (6) The relationship between Fitness Report evaluations and promotion determinations by the Career Services is often unclear.

c. The recent Office of Personnel Employee Survey (Agency-wide) contains substantial data for use in establishing an empirical base for studying employee concerns in these areas. In contrast to the negative perceptions cited in b above, this survey indicates that a significant number of employees are satisfied with the current system in that:

- (1) 67% of survey respondents state they are kept pretty well informed of their performance (26% expressed dissatisfaction);
- (2) 75% are aware of the criteria used by their supervisor in determining the Fitness Report (17% indicated they were not aware);
- (3) 72% feel the Fitness Reports have been an accurate reflection of their job performance (19% indicated dissatisfaction).

While the majority of employee responses relative to the Fitness Report as regards job performance evaluations indicate satisfaction, the survey also indicates:

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- (a) A significant proportion (1.3 to 1) tend to be dissatisfied with what they perceive as their opportunities for promotion,
- (b) A significant proportion (1 to 1) indicate they are unsure whether "promotions are given fairly".

2. Observations

a. As in any employer/employee relationship, so too with the Agency and its employees, there exists a "psychological contract" to the issue that advancement opportunities are understood to be linked to on-the-job performance evaluations. The findings of the Office of Personnel Survey indicate that the concern of employees is not regarding the Fitness Report "per se" as a job performance evaluation device, but rather over the connection between Fitness Reports and advancement. In this context, it must be pointed up that Employee Survey responses indicate that employees are "unsure as to the fairness" of promotions, not "sure as to unfairness."

b. The Agency employee performance evaluation system does not provide a sufficient data base for ranking employees in a comparative evaluation. Performance evaluation systems focus on events past; comparative evaluation systems include estimates of future performance and thus require additional informational inputs.

c. The concept, content and results (ratings and narrative) of the current Fitness Report appear to satisfy employees rated but many managers are concerned that the creep to higher ratings as a norm (i.e., from Proficient to Strong) is an aberrant rating level in terms of the actual level of performance.

d. The factual basis for dissatisfaction with the current Fitness Report by the Agency MAG and the EEO Panel is not documented and not sufficiently definitive as to where or how the system is deficient.

3. Conclusions

a. There is not sufficient data available at this time to support, disprove or provide a basis to clarify the uncertainties of the current performance evaluation system and its relevance to employee achievement and recognition.

b. Both the perceptions and proposed solutions to alleged deficiencies have been piecemeal and have not had the benefit of comprehensive review, input nor direction by top Agency officials.

c. There is definite evidence that problems exist - whether factually based or erroneously perceived - of unknown specificity, nature and significance involving the current performance evaluation system, the Career Service competitive evaluation system, the employee informational system and/or the interface of all of these systems.

d. Until definitive identification of the specific short-falls of the current systems are pinpointed, it is not practicable to modify nor abandon the current practices nor adopt new approaches however attractive they may appear.

4. Recommendations

a. That the EAG give the action to the DD/A to address the question of whether there is sufficient evidence that serious deficiencies may exist with the current performance evaluation system or comparative evaluation processes to constitute grounds for a cohesive and comprehensive review.

b. If the EAG approves the above, the following actions will be undertaken:

(1) DD/A will conduct an in-depth review of the current Agency performance evaluation system, including a review of current performance evaluation methods used in Government or the private sector which might be considered for adaptation by the Agency and submit findings and recommendations to the EAG.

(2) DD/A will determine what additional data (other than the Fitness Report) should be developed for the purpose of enhancing the validity of the Agency comparative evaluation system.

/s/ John F. Blake

John F. Blake

ATOR:

F. W. M. Janney
Director of Personnel

8 FEB 1977

STATINTL

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DRAFT

27 Jan 77

FGM:lrn

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DDA 11-6-81-

MEMORANDUM FOR: Secretary, Executive Advisory Group
FROM : John F. Blake
Deputy Director for Administration
SUBJECT : Personnel Performance Evaluation

1. Background *mac*

a. The DDCI recently requested an in-depth review of an innovative personnel performance evaluation system instituted by RCA to determine whether some adoption of certain conceptual and evaluative features of the RCA system might simultaneously provide a more effective tool for evaluating past performance, estimating future potential and providing input for career service competitive evaluation and ranking. The review of this particular evaluation system has been completed. ~~However,~~ *However,* the applicability and pertinence of the "output" from this type of system to our Agency's needs cannot be properly concluded without completion of a detailed reexamination of our current performance evaluation system and an evaluation of its effectiveness (or ineffectiveness) in fulfilling both the requirements of "on-the-job" performance evaluation and the needs of the Career Services for information as input in making determinations in competitive evaluation, ranking and promotion exercises.

Assignment
b. In the same time frame of the reviews cited above, the Agency MAG and the Agency EEO Panels have submitted independent reports expressing dissatisfaction with the Agency performance evaluation system although the basis for such conclusions are not documented nor

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are there sepcific indications as to what the deficiencies are. Some Directorates and Offices have recently issued or are developing revised guidelines and procedures aimed at reestablishing "norms" for ratings and improving the quality of the Fitness Reports. Some of the specific complaints recurrently expressed by employees and management are:

- (1) Fitness Reports continue to creep toward higher ratings;
- (2) There is substantial disparity in ratings among supervisors and reviewers, between Directorates and between sub-groups within Directorates;
- (3) Fitness Reports often fail to differentiate between performance and potential;
- (4) The relationship between Fitness Reports and LOI's is not clear;
- (5) The data available from Fitness Reports is insufficient to satisfy the needs of Career Service and Career Sub-group Boards and Panels in competitive evaluation, ranking and promotion considerations;
- (6) The relationship between Fitness Report evaluations and promotion determinations by the Career Services is often unclear.

c. The recent Office of Personnel Employee Survey (Agency-wide) contains substantial data for use in establishing an empirical base for studying employee concerns in these areas. In contrast to the negative perceptions cited in b above, this survey indicates that a significant percentage of employees expressed satisfaction with the current system in that:

- (1) 75% state they are kept pretty well informed of their performance;
- (2) 80% are aware of the criteria used by their supervisor in determining the Fitness Report;

- (3) 80% feel the Fitness Reports have been an accurate reflection of their job performance.

While the majority of employee responses relative to the Fitness Report as regards job performance evaluations indicate satisfaction, the survey also indicates:

- (1) A significant proportion (1.3 to 1) tend to be dissatisfied with what they perceive as their opportunities for promotion;
- (2) A significant proportion (1 to 1) indicate they are unsure whether "promotions are given fairly".

2. Observations

a. As in any employer/employee relationship, so too with the Agency and its employees, there exists a "psychological contract" to the issue that advancement opportunities are understood to be linked to on-the-job performance evaluations. The findings of the Office of Personnel Survey indicates that the concern of employees is not regarding the Fitness Report "per se" as a job performance evaluation device, but rather over the connection between Fitness Reports and advancement. In this context, it must be ^{emphasized} ~~pointed up~~ that Employee Survey responses indicate that employees are "unsure as to the fairness" of promotions, not "sure as to unfairness."

b. The Agency employee performance evaluation system does not provide a sufficient data base for ranking employees in a comparative evaluation. Performance evaluation systems focus on events past; comparative evaluation systems ^{include} ~~focus on projecting~~ estimates of future performance and thus requires additional {and different} informational inputs.

c. The concept, content and results (ratings and narrative) of the current Fitness Report appear to satisfy employees rated but many managers are concerned that the creep to higher ratings as a norm (i.e., from Proficient to Strong) is an aberrant rating level in terms of the actual level of performance.

d. The factual basis for dissatisfaction with the current Fitness Report by the Agency MAG and the EEO Panel is not documented and not sufficiently definitive as to where or how the system is deficient.

3. Conclusions

a. There is not sufficient ^{data} ~~informational evidence~~ available at this time to support, disprove ^{or} ~~to provide~~ a basis to clarify the uncertainties of the current performance evaluation system and its relevance to employee achievement and recognition.

b. Both the perceptions and proposed solutions to alleged deficiencies have been piecemeal and have not had the benefit of comprehensive review, input nor direction by top Agency officials.

c. There is definite evidence that problems exist - whether factually based or erroneously perceived - of unknown specificity, nature and significance involving the current performance evaluation system, the Career Service competitive evaluation system, the employee informational system and/or the interface of all of these systems.

d. Until definitive identification of the specific shortfalls of the current systems are pinpointed, it is not practicable to modify nor abandon the current practices nor adopt new approaches however attractive they may appear.

4. Recommendations

a. That the EAG address the question of whether there is sufficient evidence that serious deficiencies may exist with the current performance evaluation system or comparative evaluation processes to constitute grounds for a cohesive and comprehensive review.

EAG approves the above
b. If the ~~answer to this question is~~ affirmative, the following actions are proposed:

DDA will
(1) ~~Establish a task force~~ to conduct an in-depth review of the current Agency performance evaluation methodology including a review of current performance evaluation methods used in Government or the private sector which might be considered for adaptation by the Agency and have appropriate recommendations made.

DDA will
(2) ~~Have this same task force~~ determine what additional data (other than the Fitness Report) should be developed for the purpose of enhancing the validity of the Agency comparative evaluation system.

F. W. M. Janney

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21 January 1977

MEMORANDUM FOR: Deputy Director for Administration

STATINTL FROM :

SUBJECT : Personnel Evaluation Procedures - What Do We
Wish to Do about the Fitness ReportBACKGROUND

There is evidence of concern by Agency employees over the Agency's Personnel Evaluation Procedures. Recent reports by the Agency MAG as well as by the Agency EEO Advisory Panel have reflected this concern as employee dissatisfaction with the present Agency fitness report system. Recognition of this employee concern by managers can also be inferred from the fact that some Offices and Directorates have issued revised guidelines and procedures aimed at improving the quality of fitness reports. The DDCI recently asked for a review of an innovative evaluation system recently initiated at a large private corporation. Our review of this particular evaluation system stimulated further reexamination of the "health" of our fitness report in a broader context which led to this preliminary report.

EMPLOYEE CONCERNS OVER THE FITNESS REPORT

It is not our intent to repeat a long litany of complaints. It is worth noting a few of the concerns expressed by employees which are recurrent and bear careful examination.

. Fitness reports continue to "creep" toward higher ratings.

. There is substantial disparity in ratings among supervisors and reviewers.

. Fitness reports often fail to differentiate between performance and potential.

. The relationship between fitness reports and LOI's is not clear.

SUBJECT: Personnel Evaluation Procedures - What Do we Wish to
Do about the Fitness Report

. The relationship between fitness reports and other management tools, i.e., competitive evaluations, career subgroup evaluations, promotion boards is often unclear.

OBSERVATIONS

The recent Office of Personnel Employee Survey (Agency-wide) contains much data of use in establishing an empirical base for studying employee concerns in these areas. This Survey indicates that employees feel they are:

1. "kept pretty well informed of (their) performance".
2. "are aware of the criteria used by (the) supervisor in determining the fitness report".
3. "feel (the) fitness reports have been an accurate reflection of (their) job performance".
4. A significant proportion tend to be dissatisfied with what they perceive as "(their) opportunities for promotion".
5. A significant proportion indicated they are "unsure" whether "promotions are given fairly".

As in any employer/employee relationship, so too with the Agency and its employees, there exists a 'psychological contract' to the issue that advancement opportunities are understood to be some function of performance evaluations. The findings of the Office of Personnel Survey indicates that the concern of employees is not regarding the fitness report 'per se' but rather over the connection between fitness reports and advancement. In this context, it must be pointed up that employee Survey responses indicate that employees are "unsure as to fairness" of promotions, not "sure as to unfairness". (cf Addendum)

CONCLUSIONS

1. There is not sufficient information available at this time to support or disprove the uncertainties of the fitness report and its relevance to employee achievement.
2. Both the attacks and proposed solutions to alleged deficiencies have been piecemeal and lack comprehensive review and direction by top Agency officials.

SUBJECT: Personnel Evaluation Procedures - What Do we Wish to Do about the Fitness Report

3. Attempts to modify current employee evaluation procedures without a clear understanding of their current effectiveness could lead to cosmetic changes of questionable benefit.

RECOMMENDATIONS

1. The EAG should address the question of whether the alleged deficiencies of the fitness report and other evaluation procedures constitute grounds for serious review.

2. If the answer to this question is positive, the following steps should be initiated:

a. Review our experience over the preceding three-five years to see if there is significant correlation between fitness report ratings and achievement at the Agency and Directorate level. (Establish a baseline.)

b. Initiate a review of current methods of performance evaluations being used in government and the private sector which might be considered for use by the Agency in the event that our current evaluation systems show serious deficiencies.

ADDENDUM

Descriptive statistics from Office of Personnel survey:

1. Employees endorsed the statement that they are being kept pretty well informed as to how they are performing on the job by a ratio of 3 to 1.

2. Employees indicated they are aware of the criteria employed by their supervisor in preparing their fitness report by a ratio approximating 4 to 1.

3. Employees endorsed the fitness report as an accurate picture of their performance by a ratio approximating 4 to 1.

4. Employees indicated a dissatisfaction with their perceived opportunities for promotion by a ratio of approximately 1.3 to 1.

SUBJECT: Personnel Evaluation Procedures - What Do we Wish to
Do about the Fitness Report

5. Employees reflected a 'split' on their perception of the fairness of the promotions given i.e., the number of persons stating the promotion system appear 'fair' approximated those who perceive the system as 'unfair'. Most importantly, the number of employees who indicated they are 'unsure' of 'fairness' was roughly equivalent to one-third of all employees responding i.e., proportions in the categories 'fair', 'unfair' and 'uncertain' were approximately equal. (On none of the other fitness report/advancement opportunities items was the number of employees in the 'unsure' category greater than approximately 10% of the total responding.)

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[REDACTED] (concur)

[REDACTED] (concur)

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16 December 1976

MEMORANDUM FOR: Director of Personnel

FROM : [REDACTED]
Deputy Director of Personnel
for Plans and Control

SUBJECT : RCA Talent Inventory Appraisal System

1. We [REDACTED] have further reviewed and discussed the data previously received from RCA and the additional information made available to us during our visit to RCA on 10 December 1976.

2. Attached herewith is a report (essentially prepared by [REDACTED] which summarizes our analysis of the TIAS system and includes a possible approach and the considerations under which an experimental application of such a system might be instituted within the Agency.

STATINTL

Att.

SUBJECT: Additional Information Regarding the Radio Corporation
of America "Talent Inventory Appraisal System"

STATINTL 1. On 10 December 1976, Messrs. [REDACTED] (Deputy for Plans and Control Office of Personnel), [REDACTED] (Information and Privacy Coordinator) and [REDACTED] (Chief/Assessment Branch/Psychological Services Staff) met with Joseph League (Manager for Training and Organizational Development, Government Systems Division, RCA) and his assistant, Mr. Gerald Wixted at the Corporation's Moorestown, New Jersey plant. The purpose of the meeting was to expand the Agency's information base regarding RCA's recently adopted Talent Inventory Appraisal System (TIAS). Messrs. League and Wixted were exceptionally helpful, giving nearly their full working day to briefing the Agency representatives. Within the restrictions imposed by RCA's proprietary interests in the TIAS, the RCA representatives provided very valuable amounts of information regarding substantive aspects of the system per se as well as data bearing on the practical utility of TIAS to date and general indications of the extensive man-hour efforts expended in the initial development and subsequent implementation of TIAS as an operating program within the corporation. Their observations were particularly valuable inasmuch as Mr. League and Mr. Wixted were associated with TIAS since its conceptualization and beginnings within RCA over 5 years ago.

2. In essence, TIAS is composed of "behaviorally anchored" rating scales i.e., the Inventory contains forty or more descriptions of behaviors identified by managers as specific incidents of successful/unsuccessful

management behavior or practices. In completing the rating of a given employee, the rater reviews each behavior item and indicates the frequency with which the employee exhibits the behavior (usually; sometime; not likely to show behavior). The Rater is afforded the option of checking a given behavior item as: "I don't know (how frequently he/she shows the behavior)". While all elements of RCA employ the standard forty-item Inventory, individual Divisions have the option of adding up to ten items (behavior incidents) which are felt to be unique to the activities of that Division. While the forty items in the Inventory had been grouped logically into larger "behavior factors", a mathematical analysis of the Inventory (conducted under contract with an Industrial Psychologist) established the existence of four underlying measurement/rating dimensions: 1) Analytic Abilities; 2) Task Oriented Interpersonal Competence; 3) Acceptance of Responsibility and; 4) Respect for Competence of Subordinates. It is this mathematically derived model of four factors (including also the unique Division factors) which is used in generating the final global ratings for a given employee.

3. The RCA TIAS is clearly a "fabric" which is "woven" of several distinct elements which may be found singly or in dual combinations within other performance appraisal systems. In essence (with the exception of additive combination of Ratings), the novelty or uniqueness of the RCA TIAS rests specifically in the fact that all of these elements have been combined in one system. The specific elements of the TIAS are as follows:

<u>ELEMENT</u>	<u>ADVANTAGE</u>	<u>AGENCY COUNTERPART</u>
Behaviorally-anchored Rating Scales.	a. Ease of observation on-the-job B. Ease of communicating feedback to employee	None presently in formal appraisal system. Present system is based on Task Performance Ratings flowing from LOI at beginning of appraisal period.
Community of Scales applied to all employees (across levels & areas).	Direct comparability of appraisal Ratings across the entire organization.	Competitive Evaluation List (CEL) system within OC.
Multiple Raters (with Ratings combined mathematically).	Increased reliability of Ratings assigned.	None presently in formal appraisal system (Panels combine "ratings" judgmentally)
Ratings by Superiors, Peers and Subordinates.	Increased scope of observation of performance.	None presently in formal appraisal system.
Mathematical correction for Rater bias.	Reduction of potential subjective errors in Ratings.	None presently in formal appraisal system.

14. In evaluating the utility of TIAS as an appraisal system, the data regarding the two principal purposes of appraisal (a) providing a reliable, valid basis for personnel actions such as promotion, transfer or demotion and; (b) providing feedback to the employee which will permit him/her to alter behavior) are mixed. In regard to purpose (a), TIAS follow-up data suggest that the system is identifying effective managers (at least in terms of managerial behavioral characteristics.) No substantive data were provided to permit examination of the merits or demerits of TIAS in comparison with RCA's previous appraisal system since, simultaneously with initiation of TIAS, the previous appraisal system was discontinued.

One important finding regarding assignment of an Overall Rating under TIAS merits note and concern. In rating Overall Effectiveness as a Manager, TIAS employs a 5-point scale, the upper 3 points of which are regarded as an overall Above Average Rating. In 1973, 63% of the 3000 RCA employees rated under TIAS fell in the Above Average category. In the second (and most recent use of TIAS) rating effort in 1975, the number in the Above Average category had risen to 72%. The RCA representatives expressed their personal concern that this "upward creep" phenomenon may be reflected in the planned February 1977 application of TIAS, thereby reducing the effectiveness of the appraisal system. (The fact that the 9% "upward creep" is highly significant from a statistical standpoint was not alluded to by the RCA representatives.)

In regard to purpose (b) of appraisal system (meaningfulness of feedback to employees), the RCA representative supplied survey data suggesting that both supervisors (who provide feedback based upon TIAS) and employees endorse TIAS as a more objective and meaningful technique for presenting appraisal feedback. Unfortunately, no substantive data are presented to support the assumption that "meaningful appraisal feedback leads to positive changes in employee job-related behaviors". In this same context of feedback to the employee, it must be noted that under the earlier RCA appraisal system, the employee did not have access to the actual ratings and/or comments of the supervisor (rating officer) and was not permitted the opportunity for commentary or rebuttal of his/her performance appraisal. The supervisor could if he/she so desired, show the actual ratings to the employee though this appears to have been the exception rather than the rule. Only since acceptance of TIAS, has the

employee had direct access to documented ratings. The extent to which this critical change in appraisal feedback may have contributed to employee acceptance of TIAS (apart from the merits specific to TIAS itself) has apparently not been researched by RCA.

5. The comments by the RCA representative regarding the "bugs" in the technical/administrative aspects of TIAS are worthy of note. Though originally planned as an annual evaluation system, slippage due to difficulties in processing and analyzing the huge volumes of rating data generated by TIAS saw 26 months elapse between 1st and 2nd applications of the system. Some 20 months will have elapsed before TIAS is applied for the 3rd time. Training of Raters has altered drastically from a small-group lecture and demonstration technique to a "do-it-yourself . . . read the instructions in private" approach. (This change appears more a function of manpower shortages rather than a reality-based decision that "do-it-yourself" is no less effective.) In overview, it appears that RCA launched TIAS somewhat prematurely since many potential problems, which probably could have been identified through longer term controlled experimental applications on a small scale, were not encountered until RCA was already committed to TIAS. Paradoxically, though RCA is now committed to TIAS, salary increases and promotions remain under the control of the local supervisor who is under no obligation to take action consistent with TIAS findings.

6. In summary, the RCA TIAS (Talent Inventory Appraisal System) is composed of many elements, each of which stands on its own merits in making positive contributions to effective performance appraisal

systems. The efficiency of TIAS vs. the previous appraisal system cannot be determined. Greater Supervisor and Employee acceptance of TIAS for feedback appraisal may reflect either superiority of TIAS or the change in the RCA feedback system which now furnishes the employee with a documented record of ratings assigned. Finally, the number and significance of technical/administrative problems experienced during implementation of TIAS suggest that the system went operational prematurely in the absence of data and experience which could have been gleaned by a more precise though time-consuming controlled experimental application of TIAS within corporation subpopulations. At present, there does not appear to be any "master plan" for follow-up evaluations of TIAS. Evaluation of TIAS typically is initiated via random inquiries into the system by corporation vice-presidents. It is therefore important to distinguish between the question of the utility/validity of a TIAS-like system vs. the procedures followed in creating, evaluating and implementing TIAS. As a performance appraisal system, TIAS appears still unevaluated in terms of both absolute and relative merits. The fact that TIAS remains essentially unevaluated appears a function of the methodology employed in structuring and integrating TIAS within RCA management practices.

7. Viewed from the standpoint of Agency interests, it is clear that each of the component elements of a TIAS-like system promise positive increments in any appraisal system to which they are added. Whether the combination of all of these components into a single system places that system at the zenith of all appraisal systems is a moot point . . . and certainly not to be resolved given the dearth of validity data vis-a-vis TIAS.

The introduction of appraisal of managerial performance on the basis of managerial behavioral characteristics vis-a-vis the current Task-oriented appraisal approach would provide the Career Service Boards and Panels with additional in-put in conducting their comparative evaluation and ranking exercises and in the identification of employees for their Personnel Development Plan.

If the applicability and utility of a TIAS-like system is to be confirmed for consideration for adoption within the Agency, it will have to be accomplished through internal Agency effort with allocation of sufficient additional manpower resources (i.e., to OMS, OP and ODP) to effectively take on the developmental tasks leading to the institution of an initial pilot operation.

In mounting such an effort, the Agency can learn much from the RCA experience and, through controlled experimental applications of such a system (once designed) within specified Agency subpopulations (either within a single Directorate or within Offices selected as representative of all four Directorates), the Agency will later be capable of documenting answers to the vexing questions of validity and utility. Of particular importance, based again upon the RCA experience, will be the necessity for application of the "system" running "parallel" to the current Performance Evaluation system. Only in this fashion will it be possible to directly measure the relative merits of the TIAS-like system . . . a measure which will prove critical at the juncture when a decision might have to be made regarding cost-effectiveness of implementing a new appraisal system Agency-wide. In terms of time frames within which one might expect such cost-

effectiveness data to be available, it is likely that with annual applications of a new system on an experimental basis, some two to four years of data collection would be required.

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Approved For Release 2002/01/10 : CIA-RDP80-00473A000500130002-5

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DDA 76-5930

MEMORANDUM FOR: Deputy Director of Central Intelligence
FROM : John F. Blake
Deputy Director for Administration
SUBJECT : RCA Talent Inventory Program

Hank:

1. Although it took a seemingly long period of time for RCA to provide us with some additional data on the subject, we finally obtained enough for the Office of Personnel to arrive at some tentative conclusions regarding it. At this point it looks worthy of further pursuit, especially as a possible tool for evaluating senior managers, i.e., GS-14's and above. However, there are some possible problems.

2. For this reason I have asked Mike Malanick to convene a group consisting of representatives from Personnel, Medics, together with [REDACTED] (who made the initial visit to RCA), and come up with a staff position, including recommendations, which we will present to you and the MAG if you elect to do so. I have asked Mike to have the group's report in to me by not later than 10 December 1976.

John F. Blake

Distribution:

Orig - DDCI

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1 - DDA Subject w/background

1 - DDA Chrono

1 - JFB Chrono

1 - MJM Chrono

ADDA:MJMalanick:kmg (29 Nov 76)

16 NOV 1976

MEMORANDUM FOR: Deputy Director for Administration

FROM : F. W. M. Janney
Director of Personnel

SUBJECT : RCA Talent Appraisal System

1. The material provided by RCA relative to their Talent Inventory Program (TIP) has been reviewed. It contains a comprehensive but concise explanation of the development of the Program and its use within the Corporation. The content makes it clear that RCA does not use the Program as a performance evaluation tool for its entire workforce. The design of the Program is such that it is applied exclusively to managerial personnel and for that particular purpose it appears to have considerable merit.

2. The RCA Talent Inventory Program incorporates many of the latest and more promising elements required in the structuring of an effective employee rating system. In the first place the Program gives regularized and meaningful feedback to those employees covered (some 7,500 managers). In the absence of feedback, rating systems are often rejected by employees and credibility is harder to establish. Employee confidence in the fairness of a rating system is critical to its successful application. Secondly, the RCA approach utilizes such things as: (a) multiple assessment (recognized superior in most instances to individual evaluations), (b) computer and statistical technology (to enhance bias control, processing, and analysis efficiency), and (c) the critical incident method for identifying those job-related behaviors shown to differentiate between the successful and unsuccessful manager.


3. It is obvious that RCA invested considerable time and money in building their TIP. Among other things, the research required, the training of "rater" personnel, the structured administration process with its use of "development representatives", all point to the questionable feasibility of such an approach serving in lieu of the Agency fitness report. Considering Agency interest in managerial development, and in identifying leadership potential, the RCA appraisal system does hold promise for application to senior

level employees, e.g., GS-14 and above. At this level a program might be established which would have inter-directorate application. It should be noted that although RCA originally investigated separate management practices for each of its several divisions, after factor analyzing the data acquired RCA found sufficient similarity to permit the development of a corporate-wide list. This suggests that through pursuing a similar approach the Agency may achieve comparable results.

4. Another avenue of approach in this regard might be that of using employees as well as managers and "boards and panels" to aid in the selection of candidates for Agency leadership positions. Ralph M. Stogdill, a pioneer researcher in leadership behavior at Ohio State University, has developed a Leaders Behavior Description Questionnaire (LBDQ) which possibly could provide a means for accomplishing this. This LBDQ requires employees to note behaviors of their supervisors. (This is a wish many employees seem to have expressed in their desire to prepare fitness reports on their bosses.) Stogdill's research indicates his questionnaire has utility regardless of the type of group or organization to which it is applied provided the followers (subordinates) have had an opportunity to observe the leader (supervisor) in action as a leader.

5. There is little question that the RCA system represents a model the Agency might adopt in pursuing a similar objective, namely, the identification of organizational managerial or leadership talent. It is apparent that Agency personnel evaluation boards and panels in meeting their responsibilities need more input than the data gleaned from the fitness report. It is important also that Career Services recognize that according to recent Agency-wide survey findings many employees are not confident that they either understand or endorse present employee evaluation practices. The RCA system sets a good example of what can be done in this area, but the TIP does not represent a panacea for any shortcomings in Agency employee appraisal systems.

6. As mentioned previously the cost of developing effective employee appraisal systems is considerable. Should Agency management wish to pursue the matter, questions relative to the availability of the necessary resources come to the fore. In undertakings of this kind it takes individuals with special training and experience to do the job; the relegation of responsibility to amateurs could prove dangerous and counterproductive.


F. W. M. Janney

STATINTL

Att.

Next 19 Page(s) In Document Exempt

DD/A Registry
File *Personnel-12*

DDA 76-4878

29 September 1976

MEMORANDUM FOR: Deputy Director of Central
Intelligence

FROM : Michael J. Malanick
Acting Deputy Director for
Administration

Hank:

Understand Rosemarie inquired about the status of our report on the RCA Talent Appraisal System. I have attached Janney's latest note on the subject. You will note that things are moving along but the ball's now in RCA's court. We will keep following up with them and as soon as something more definite is known we'll let you know.

15/ Mike

Michael J. Malanick

Att

Distribution:

Orig - DDCI w/Att
1 - ER w/Att

~~1~~ - DDA Subject w/Orig of Att (DDA 76-4708)
1 - DDA Chrono
1 - MJM Chrono

ADDA:MJMalanick:kmg (29 Sep 76)

Att: Memo dtd 20 Sep 76 to ADDA fr D/Pers, subj:
RCA Talent Appraisal System

DD/A Registry
76-4708

20 SEP 1976

DD/A Registry
File Personnel-12

MEMORANDUM FOR: Associate Deputy Director for
Administration

FROM : F. W. M. Janney
Director of Personnel

SUBJECT : RCA Talent Appraisal System

1. This is a status report on our review of the RCA Talent Appraisal System.

STATINTL

2. [REDACTED] Chief of our Review Staff, was put in touch with Mr. Philip Martin of RCA through the courtesy of Jim McDonald of the Office of Logistics. Mr. Martin reports that RCA management is reviewing all of the material in the system in preparation for publishing. As soon as the approval for publication is given, Mr. Martin will contact us to make arrangements for us to visit RCA for further discussions, etc.

3. This Talent Appraisal System is just what the name implies -- an identification of managerial talent; i.e., employees making \$20,000 p.a. or more. In addition, RCA has an MBO system that goes down rather far into the worker level. This apparently is used as a tool in evaluating their employees.

4. We will keep you posted as we receive additional information.

[REDACTED]
F. W. M. Janney

STATINTL

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DD/A Registry
96-4269

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76-2411

24 AUG 1976

MEMORANDUM FOR: Associate Deputy Director for Administration

FROM : F. W. M. Janney
Director of Personnel

SUBJECT : RCA Talent Inventory

REFERENCE : Memo for ADDA fr DDCI dtd 12 Jul 76, same subj.

1. In response to the DDCI's interest in exploring the use of a peer assessment program as a way to "simultaneously describe past performance, future potential and competitive ranking," we plan to have a senior Personnel Officer contact RCA to obtain more details of their Talent Appraisal or Inventory program. While there is a great deal of "assessment" literature available, we have been unable to find any specific material on the RCA program, per se. We believe an indepth review and consideration of their peer assessment and its relation to any other performance evaluation system used there is needed before we can offer a recommendation to you or the DDCI.

2. We will keep you advised of the progress on this subject.


F. W. M. Janney

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1 - D/Pers

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76-3664/p2

76-343

12 July 1976

MEMORANDUM FOR: Associate Deputy Director
for Administration

SUBJECT: RCA Talent Inventory

Mike:

Thanks for the attached package. It is a fascinating topic. With regard to [REDACTED] memorandum to [REDACTED] of 7 June, is this really a "either/or" proposition? Off hand on quick reading, it would seem to me that the RCA approach contains the seeds of a system which might simultaneously describe past performance, future potential, and competitive ranking. Furthermore, it would seem to do so while eliminating grounds for the troubling perception that there are biases in our fitness reporting system.

E. H. Knoche
Deputy Director of Central Intelligence

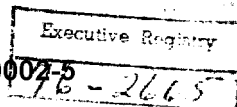
Attachment:
DDA 76-2945

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24 June 1976

76-3315

MEMORANDUM FOR: Deputy Director of Central Intelligence (Designee)

SUBJECT : A Different Approach to Personnel Performance Evaluation

1. We are writing to call to your attention the attached memo, which was prepared for Mr. Janney by an employee of the Office of Personnel. The memo describes an employee performance evaluation program being used at RCA. One of its attractive features is that the rating of each individual is based on the evaluations of seven or eight peers, subordinates, and/or supervisors "within his realm of influence." The use of multiple raters helps to dampen out the prejudices and biases inherent in any system relying on the judgment of a single individual. The program does not stop there, however. Computerized data processing techniques are used to identify those who consistently rate high or low, and their evaluations are adjusted accordingly.

2. The RCA technique also furnishes a mechanism for assuring that performance evaluations reflect the judgments of the people in best position to make them. This is not always the immediate supervisor. Not a few Agency employees have among their duties assignment to task forces, study groups, special projects, and the like. It often is difficult for a supervisor to assess with confidence the nature, extent, and value of the performance of his subordinate with regard to such activities.

3. We are intrigued by these features of the RCA program and recommend that they be considered in any future review of the procedures best suited for evaluating the performance of Agency employees.

STATINTL


THE MANAGEMENT ADVISORY GROUP

Att

22 April 1976

STATINTL MEMORANDUM FOR: [REDACTED]
Chairman, DCI Management Advisory Group
STATINTL INFO : [REDACTED]
STATINTL FROM : [REDACTED]
Chairman, ADMAG
SUBJECT : Private Industry Personnel Evaluation System STATINTL

STATINTL 1. The attached memorandum was received from [REDACTED]
STATOTHR [REDACTED] (IPS Extension [REDACTED] with the comment "the attached
employee appraisal system of RCA seems much superior to our
current fitness report system and may be worth consideration".

2. The memorandum is being forwarded for inclusion in
the study of the Fitness Report evaluation system being
conducted under the auspices of the DCI MAG group.

[REDACTED] STATINTL

Attachment:
As stated

25X1A

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